Saskatchewan
Agriculture

Annual Report
1987

Saskatchewan Natural Products Marketing Council

ISSN 0701-7030

88-03454/

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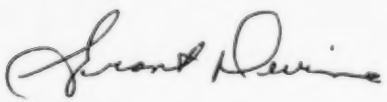
To His Honour
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province
of Saskatchewan

Sir:

I have the honour to submit the 1987 Annual Report of the Saskatchewan Natural Products Marketing Council.

Respectfully submitted,



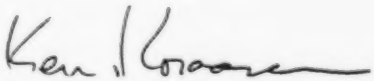
Grant Devine
Premier and
Minister of Agriculture

Honourable Grant Devine
Premier and
Minister of Agriculture
Legislature of Saskatchewan
REGINA, Saskatchewan
S4S 0B3

Dear Premier Devine:

In accordance with section 10 of **The Natural Products Marketing Act**, I submit herewith the Annual Report of the Natural Products Marketing Council for 1987.

Respectfully submitted,



Ken Rosaasen, Chairman
Natural Products Marketing Council

Duties of Council

The Natural Products Marketing Council is established under **The Natural Products Marketing Act**, R.S.S. 1978. This Act allows for the creation of marketing boards and marketing commissions for farm products in Saskatchewan. The duties of the Natural Products Marketing Council as outlined in section 7 of the Act include:

(a) advise the Minister on all matters relating to the establishment and operation of boards, commissions, and any agencies empowered to act under this Act;

(b) be responsible to the Minister for the operation and administration of boards and commissions and for that purpose, shall make and enforce such regulations as may from time to time be approved by the Lieutenant Governor in Council;

(c) conduct or supervise votes on marketing plans as required by the Lieutenant Governor in Council or the Minister;

(d) perform such other duties relating to the marketing of natural products as the Minister may require.

Saskatchewan Natural Products Marketing Council Members
(as of December 31, 1987)

Mr. Ken Rosaasen, Chairman, Saskatoon
Mr. Blair Backman, Vice-Chairman, Consul
Mr. Lorne Christopherson, Weldon
Mr. Al Mulhern, Meyronne
Mr. Fred Stokes, Dubuc
Mr. J.F. Stueck, Balcarres
Mrs. Shirley Warden, Regina

Staff

Mr. Roydon G. White, Secretary, Regina

Council Office

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Introduction

The Natural Products Marketing Council is pleased to report a successful year for 1987. The appointment of two new members, Mr. Blair Backman, and Mr. Lorne Christopherson have returned Council to its normal complement of seven persons.

Some of the major accomplishments in 1987 were:

- Following an extensive review of the Saskatchewan Vegetable Marketing Commission's proposal for a producer-elected marketing board, Council recommended to the Minister of Agriculture that the proposal be brought to a vote of producers. On December 16, 1987 the Lieutenant Governor in Council at the recommendation of the Minister of Agriculture ordered Council to proceed with the plebiscite on the question of establishing the Vegetable Marketing and Development Plan.

- Approval and enactment of a set of improved and consolidated marketing orders for the Chicken Marketing Board;

- Participation in the National Farm Products Marketing Council hearings regarding the establishment of a National Potato Marketing Plan;

- The continued review of boards and commissions for the purpose of identifying and resolving industry concerns; and

- The maintenance of a positive relationship with boards and commissions and ensuring that they operated within the terms of their respective marketing Plans.

An appeal was heard by Council in 1987, regarding the procedures followed by the Chicken Marketing Board in allocating quota increases to existing producers. No other appeals were held. This suggests that producer, industry and consumer concerns were being dealt with fairly by boards and commissions.

Events at the national level continue to be monitored by Council. Attention has been drawn in 1987 to the constraints and problems facing the national marketing plans in poultry. The challenges facing supply management encouraged a qreater awareness among provinces that steps would have to be taken if the system is to remain responsive to markets, acceptable to the consumer and stable for the industry. For example, current holders of global import quotas for chicken are able to purchase chicken at U.S.A. prices and sell in Canada at Canadian prices. Current import quota holders have obtained a major price advantage in Canada that can disrupt fragile regional markets.

Council remains cognizant of public and industry interests and will continue to support the development of responsible marketing systems for the benefit of all. Supervision of activities of marketing and market development agencies in Saskatchewan continues as Council's major purpose in fulfilling its obligations to the Minister of Agriculture under the terms of **The Natural Products Marketing Act**.

Supervision of Marketing Boards and Commissions

In 1987 the Natural Products Marketing Council was responsible to the Minister of Agriculture for the operation and administration of the following marketing boards and commissions under **The Natural Products Marketing Act:**

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board
The Saskatchewan Chicken Marketing Board
The Saskatchewan Commercial Egg Producers' Marketing Board
The Saskatchewan Pork Producers' Marketing Board
The Saskatchewan Pulse Crop Development Board
The Saskatchewan Sheep and Wool Marketing Commission
The Saskatchewan Turkey Producers' Marketing Board
The Saskatchewan Vegetable Marketing Commission

In order to fulfill its responsibility for these boards and commissions, Council engaged in the following activities:

1. The minutes of meetings of boards and commissions were reviewed;

2. Council representatives attended meetings of boards and commissions and reported back to Council;

3. Joint meetings of Council with representatives of the following marketing boards and commissions were convened:

Saskatchewan Broiler Hatching Egg Producers' Marketing Board;
Saskatchewan Chicken Marketing Board;
Saskatchewan Commercial Egg Producers' Marketing Board;
Saskatchewan Pork Producers' Marketing Board;
Saskatchewan Sheep and Wool Marketing Commission;

Saskatchewan Turkey Producers Marketing Board; and
Saskatchewan Vegetable Marketing Commission;

4. Council members attended the annual meetings of the poultry marketing boards as well as the Pork Producers' Marketing Board and The Pulse Crop Development Board;

5. Council cooperated with the poultry boards in representing the interests of Saskatchewan at national meetings;

6. Council reviewed the annual reports of the boards and commissions.

The Natural Products Marketing Council reports that the marketing boards and commissions met their obligations under **The Natural Products Marketing Act in 1987.**

Approval of Board and Commission Marketing Orders

Marketing boards and commissions exercise certain powers granted to them by their marketing plans through marketing orders. These orders require Council approval. Council reviewed and approved the orders listed below in 1987:

Saskatchewan Chicken Marketing Board

Order No. 1/87 - Definition of Terms
Order No. 2/87 - Exemptions
Order No. 3/87 - Licensing
Order No. 4/87 - Basic Quota Limits
Order No. 5/87 - Transfers
Order No. 6/87 - Allocation of Basic Quota, Production Relocation and Permits
Order No. 7/87 - Expansion
Order No. 8/87 - Stand-down and Basic Quota Cancellation
Order No. 9/87 - Penalties
Order No. 10/87 - Statistics and Reports
Order No. 11/87 - Chicken Designated to Processor
Order No. 12/87 - Grower Pooling
Order No. 13/87 - Loss of Quota
Order No. 14/87 - Canadian Chicken Marketing Agency Levies
Order No. 15/87 - Out of Province Marketings
Order No. 16/87 - Producer Minimum Prices
Order No. 17/87 - Quota Waiting List
Order No. 18/87 - Operation and Service Charges
Order No. 19/87 - Revoking Orders Prior to 1987

Purpose: The Orders provide for a consolidated package of marketing regulations that are up-to-date, and responsible to the needs of the industry.

Saskatchewan Sheep and Wool Marketing Commission

Order No. 1/87 - Insurance

Purpose: The Order is updated to reflect the current extent of insurance coverage on sheep handled through the Commission.

Order No. 2/87 - Marketing Levies

Purpose: The Order is updated to indicate the Commission's jurisdiction in collection of insurance and yardage charges.

Order No. 3/87 - Check-off

Purpose: The Order updates the basis of the check-off from a monetary standard to a percentage standard for sheep and lamb marketed.

Revocation of the following orders:

Order No. 11/78 - Buying Charge for Out of Province Buyers
Order No. 14/78 - Marketing Out of Province Sheep
Order No. 15/78 - Sale of Light Lambs

Purpose: These orders were revoked because the regulations were no longer necessary given the current operations of the Commission.

Saskatchewan Turkey Producers' Marketing Board

Amendment to the Turkey Producers Marketing Plan: Order in Council 352/87

Purpose: The amendment allows the Board to relocate the business office to a location in Saskatchewan (Saskatoon) other than Regina.

New Marketing Plans Reviewed in 1987

Under **The Natural Products Marketing Act**, plans for new marketing boards are referred by the Minister of Agriculture to the Natural Products Marketing Council for review and recommendation. In 1987, Council acted on a proposal by the Vegetable Marketing Commission for the establishment of a marketing board.

Saskatchewan Vegetable Marketing and Development Plan

The Saskatchewan Vegetable Marketing and Development Plan was initiated in 1985. The Plan proposed two fundamental changes to the current structure:

1. A producer check-off would be established on commercial vegetable sales in order to fund development initiatives; and

2. The appointed Commission would be replaced by a producer-elected board.

Beginning in 1986, Council reviewed the status of producer interest in the proposal. Council met with the Saskatchewan Vegetable Commission and determined that producer information meetings would be appropriate to gauge producer reaction to the proposal and modify the proposal where required. These meetings were scheduled for early in 1987.

Following producer meetings in January 1987, the proposed marketing plan was modified to address producer recommendations. On March 24, 1987, the Natural Products Marketing Council recommended to the Minister of Agriculture that the proposed plan proceed to a vote of producers.

Further consideration regarding the level of producer support during 1987 led to the recommendation to the Lieutenant Governor in Council by the Minister of Agriculture that a producer vote be conducted. On December 16, 1987 the Natural Products Marketing Council was ordered to conduct the vote. The vote was expected to be held in February, 1988.

Appeals Under the Act

The Natural Products Marketing Act allows any person aggrieved by a decision of a marketing board or marketing commission to appeal the matter to the Natural Products Marketing Council. Council hears the parties involved, and makes a ruling on the appeal.

In November of 1987, Council received a joint appeal from three producers in respect to the action of the Chicken Marketing Board when allocating a general increase of quota to existing producers in January, 1985. The producers were not included during the expansion and felt they qualified retroactively for quota because their production unit had been formed by moving separate licences to a single property. The appellants had been in the process of subdividing into three small, yet legally separate units, when new quota was allocated.

Council reviewed the case and met with the producers and Board. Council's decision in the matter pointed out that acts or Commissions of marketing boards cannot be ruled upon if the appeal notice is filed at a data that is beyond the legal time restrictions in which Council has jurisdiction. **The Natural Products Marketing Act** requires the filing of an appeal notice within forty-five days of an act or omission of a marketing agency.

Council concluded that the Board had dealt with the producers in a reasonable manner however, Council indicated that all small production units such as the ones operated by the appellants should be brought up to an efficient size as soon as possible. This ruling was consistent with previous Board priorities and should be continued. The appeal decision also required the Board to immediately establish quidelines for allocating new quota to existing producers.

Board and Commission Operations

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board

The Saskatchewan Broiler Hatching Egg Producers' Marketing Plan was established on August 12, 1985 under the authority of **The Natural Products Marketing Act**. The board of directors for 1987 was:

Gerry Leduc, Chairman, Assiniboia
Mervyn Slater, Vice-Chairman, Tramping Lake
George Murray, Director, Saltcoats

G.J. Novak, Manager, White City

The Board regulates the production of broiler hatching eggs used for the commercial production of broiler chicken in Saskatchewan. The Board's objective is to provide for an adequate supply of eggs in the hatching egg industry and to stabilize and improve producer returns.

National Agency

On November 27, 1986 the Canadian Broiler Hatching Egg Marketing Agency was established with Manitoba, Quebec and Ontario as participating provinces. Saskatchewan had been asked to become a full member of the Agency. Although the Saskatchewan

Board declined to participate in 1987, considerable producer interest urged the Board to ask the Natural Products Marketing Council to consider joining. Discussions regarding the implications of membership in the Agency were proceeding between Council and the Board into 1988.

Producer Numbers and Quota Allocation

Fifteen producers registered with the Board in 1987. Licenses and initial quota allocation issued to producers in 1986 totaled 104,030 hens, indicating a potential production of 15.08 million hatching eggs. In 1987 quota allocation totaled 106,330 hens with a potential production of 15.42 million hatching eggs. Flock sizes indicate the distribution of quota and are presented in the following table.

Broiler Hatching Egg Flock Sizes in Saskatchewan 86-87
(Number of Breeder Hens)

Flock Size	Number of Quota Holders 1986	1987
100 - 999	2	2
1,000 - 2,999	4	4
3,000 - 4,999	1	1
5,000 - 6,999	2	1
7,000 - 10,000	4	5
18,000	1	1
28,500	1	1
Total	15	15

Quota Changes

One increase of 2,300 hens was allocated to an existing producer in 1987. One transfer of quota for 750 hens was approved on March 4, 1987.

Minimum Price

The price negotiated between the Board and the hatcheries was established on August 1, 1986 and continued during 1987. The price was a minimum of 25.5 cents per saleable chick, less 2.0 percent for culling.

Producer Levy

The levy continued at 30 cents per 100 eggs delivered to the hatchery.

Marketings

The following table describes the performance of the industry in 1987.

Broiler Hatching Egg Marketing 1986-87

	1987	1986
Total broiler eggs set	15,721,336	*
Total broiler chicks hatched	11,764,630	*
Saskatchewan produced broiler type eggs marketed and levy collected	12,646,667	3,575,335
Revenue at 26.5 cents per chick using the provincial average hatchability	$3,351,366	$729,022

* This Board became operational during 1986, and complete data is unavailable.

Extension Services

The Board participated with the three other poultry boards in funding of extension services provided by the University of Saskatchewan. The Board's share during 1987 was established at the rate of $6,000 per year.

1987 Review

The Board's first full year of operation was successful in establishing operational orders and policies. Producer interest in joining the National Agency has resulted from a perceived need to achieve more cooperation between provinces regarding the increasing level of imports. Saskatchewan imported approximately two million eggs from the U.S.A. and 600,000 eggs from other provinces in 1987. Importers continue to race for import quota base given the possibility of the Agency acquiring import controls within the next one or two years.

The Saskatchewan Chicken Marketing Board

The Directors of the Saskatchewan Chicken Marketing Board for 1987 were:

Charles Stueck, Chairman, Abernethy
John Reddekopp, Vice-Chairman, Dalmeny
Ray Hayko, Director, Regina
Dave Keet, Director, Vanscoy
Phil Stilborn, Director, Balcarres

G.J. Novak, Manager, White City

The Saskatchewan Chicken Marketing Board, in conjunction with The Canadian Chicken Marketing Agency (CCMA) regulates the quantity of chicken produced in Saskatchewan. The Saskatchewan Board sets the price of chicken through negotiation with poultry processors. The objective of the Board is to improve and stabilize producer returns by managing product supplies.

Producer Numbers

There were 73 producer licenses issued in 1987. Seven transfers were approved by the Board, which involved a total of 169,330 broilers and 19,000 roasters. Eleven percent of production quota changed hands in 1987 as compared to 5.2% in 1986.

Distribution of Quota Holdings
(Number of Producers)

Broilers Flock Size	Jan. 1 1985	Jan. 1 1986	Jan. 1 1987	Jan. 1 1988
1,000 to 9,999	3	4	2	1
10,000 to 14,999	25	9	10	2
15,000 to 19,999	11	30	30	27
20,000 to 29,999	6	9	7	10
30,000 to 39,999	6	6	7	6
40,000 birds or more	9	9	9	9
Roasters only	5	3	7	3
Roaster/Broiler	-	-	-	5
Total	65	70	72	73

The quota base is presently 1.58 million broilers/cycle at 1.82 kg/bird and six cycles per year, plus 231,255 roasters per year.

Breakdown of Chicken Production from 1984 to 1987

Year	Type of Bird	No. of Birds	Live Weight (kgs)	Ave. Live Bird Weight (kgs)
	Broilers			
1984		7,925,455	14,023,000	1.77
1985		8,378,260	14,861,800	1.77
1986		8,902,000	16,123,100	1.81
1987		9,508,000	17,305,300	1.82
	Roasters			
1984		171,928	529,700	3.08
1985		212,148	656,300	3.09
1986		223,904	691,328	3.08
1987		231,255	709,955	3.07

Percent increase in live kgs produced from 1986-87: Broilers - 7.0%
Roasters - 3.0%

Total dollar value of chicken production from registered growers was $1.4 million higher than 1986 at $19.79 million, due to higher production levels.

Value of Production to Producers from 1984 to 1987

Year	Value	Production
1984	$17.80 million	14,552,700 kg
1985	$17.76 million	15,518,100 kg
1986	$18.39 million	16,814,428 kg
1987	$19.79 million	18,015,300 kg

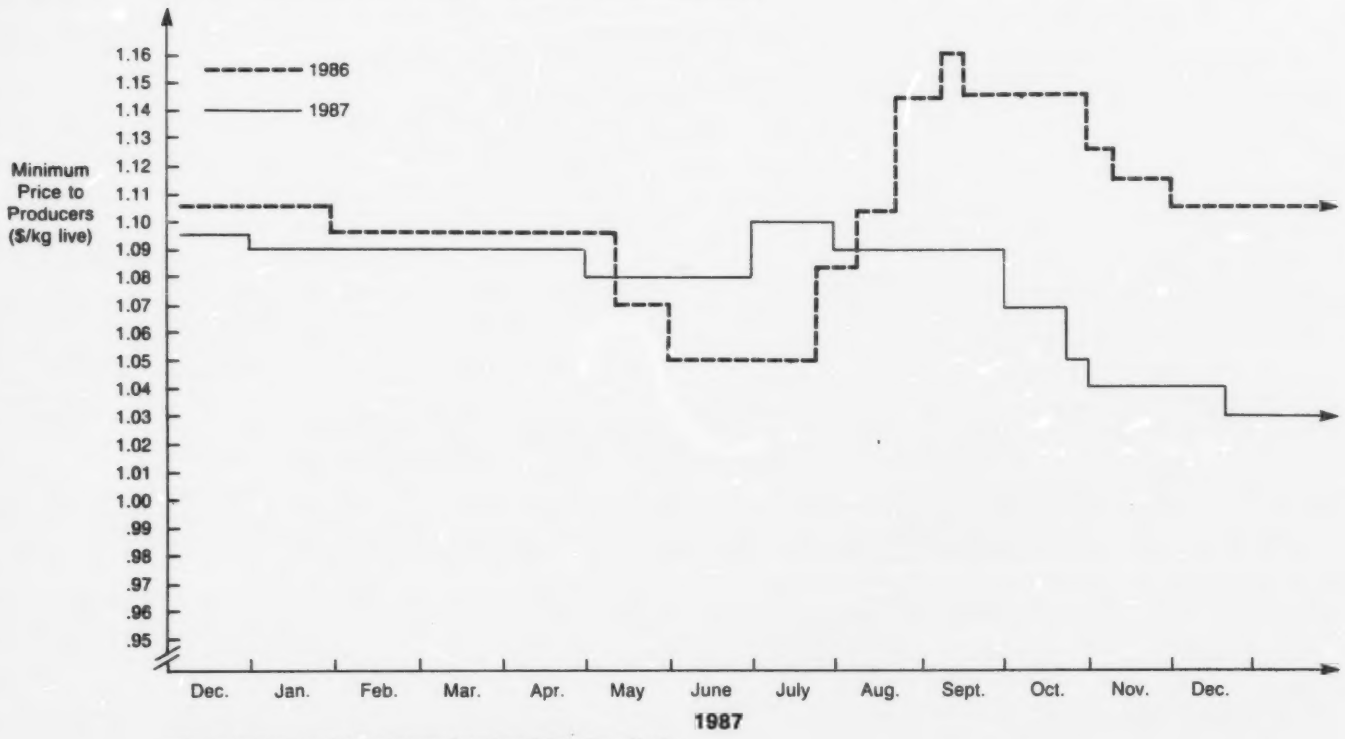
Prices (all prices in $/kg live weight)

The following graph illustrates the broiler producer price changes in 1987 in comparison to price changes in 1986. Eight price changes were implemented in 1987. The price trend in 1987 was influenced by significant downward price changes of neighbouring provinces in the last quarter.

Producer Levies

The 1987 check-off remained constant at 1.025 cents/kg. CCMA's share is 0.21 cents/kg and .02816 cents/kg for the months of October, November and December, 1987. The check-off produced a total of $185,653.00, of which $41,863.00 went to CCMA.

Broiler Producer Price Changes in 1986-87*



* *Source: Saskatchewan Chicken Marketing Board Price Bulletins Nos. 165-173*

Quota Allocation

The 1987 Saskatchewan total chicken quota allocation was 14,513,000 kg eviscerated weight. Total provincial production was 13,241,245 kg (evisc.); a shortfall of 8.7%.

In 1987, the Board in consultation with processors, implemented one production level change to meet the anticipated market growth. The Board began the year producing at 95% of full quota allocation. On May 1, this production quota increased to 100% and remained at this level for the rest of the year.

Producer Extension Program

In 1987, the poultry extension program delivered by the University of Saskatchewan lost both specialists, one of whom was replaced. The other specialist was to join in early 1988. Funding for the program shifted in 1987 from Saskatchewan Agriculture to the industry. A formula had been agreed upon between the four poultry boards and the two processors to cover the entire cost of operating a two person extension unit at the University of Saskatchewan. The Chicken Board's share was set at the rate of $41,000 per year.

Promotion

The Board, under agreement with "Just Chicken" continues to conduct barbecues. In 1987, 11,404 halves of chicken were cooked.

Approximately 25,000 pieces of literature (cook books and recipes) were mailed out to schools and institutions and distributed at "Farm Progress Shows".

Point of sale material was distributed at the Canadian Western Agribition as well as at the Farm Progress Show. At five separate activities the Board had Lucille Saum, home economist doing demonstrations of cooking chicken (microwave as well as conventional methods). Taste samples of cooked chicken were distributed along with recipes and cook books (meat - courtesy of Canada Packers and Plains Poultry). New competitions for processed product were introduced at the 1987 Agribition. Direct producer involvement attracted enough interest to build towards future competitions.

The Saskatchewan Commercial Egg Producers' Marketing Board

The Directors of the Saskatchewan Commercial Egg Producers' Marketing Board for 1987 were:

Carol Teichrob, Chairman, Saskatoon
Ted Wiens, Vice-Chairman, Regina
Karen Crawford, Director, Rosetown
Duncan Crick, Director, Gravelbourg
Albert Folmer, Director, Prince Albert
Don Guenter, Director, Saskatoon

Dave Mackie, Manager, Regina

The Saskatchewan Commercial Egg Producers' Marketing Board, in conjunction with the Canadian Egg Marketing Agency (CEMA), manages the quantity of eggs produced in Saskatchewan for the table-egg market and sets the price of eggs. The Board's objective is to improve and stabilize producer returns.

Production and Marketing

The following table gives a historical record of the number of registered producers, along with their marketings and the value of those marketings:

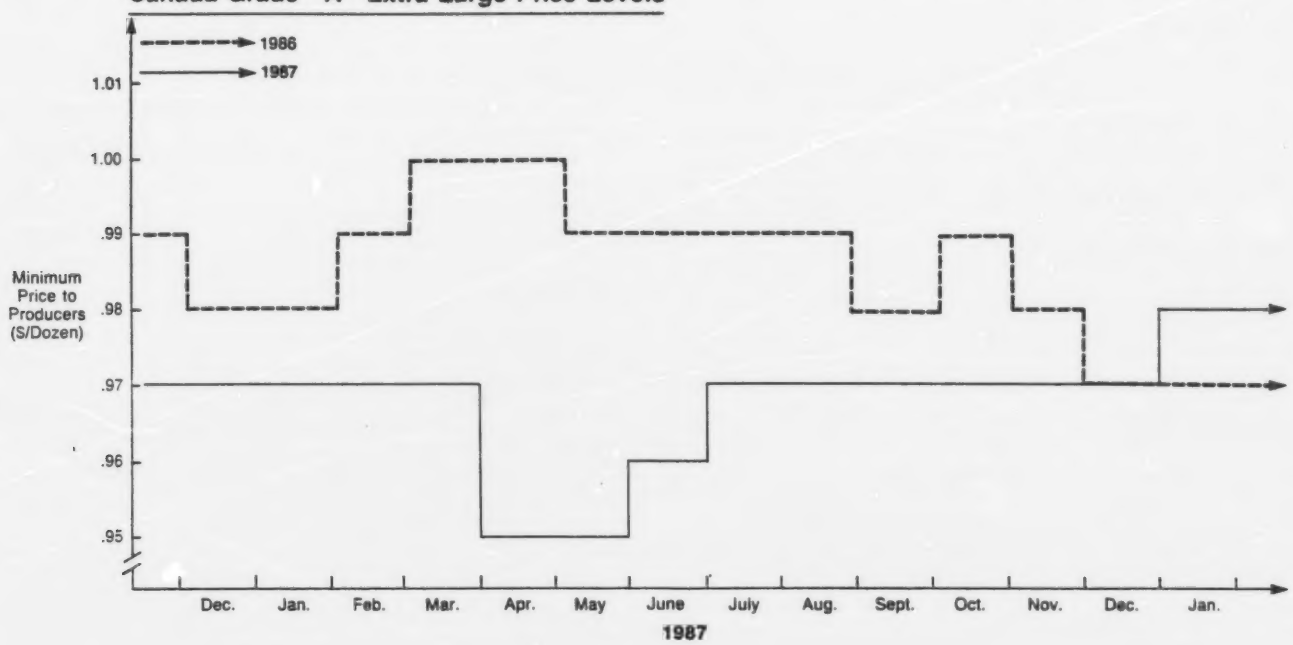
Yearly Value of Table Egg Marketings

Year	Producers	Marketings (million doz.)	Value of Marketings ($ million)
1981	104	14.27	12.70
1982	104	14.19	12.65
1983	100	15.20	13.24
1984	99	13.83	12.49
1985	92	14.37	12.50
1986	85	14.68	13.01
1987	81	14.90	13.06

1987 Table Egg Price Levels to Producers

The following graph illustrates the price changes put into effect by the Board throughout 1987.

Canada Grade "A" Extra Large Price Levels



* Source: Saskatchewan Commercial Egg Producers Marketing Board Price Bulletins Nos. 199-202

Quota Allocation

The 1987 total layer quota of 700,172 layers in the commercial flock remained unchanged from the previous year's figure of 700,172 layers.

Commercial Egg Quota Distribution

Flock Size	Number of Producers January 1, 1986	January 1, 1987
300 - 1,000	4	4
1,001 - 3,000	15	12
3,001 - 5,000	18	19
5,001 - 10,000	24	23
10,001 - 20,000	15	13
20,001 and over	9	10
TOTAL	**85**	**81**

1987 Review

1987 was an active year for the egg industry both provincially and nationally. Economically, producers have faired well in relation to other areas of agriculture. The province continued its trend in increasing production in order to meet a slow but steady national increase.

Saskatchewan producers remain apprehensive regarding national issues which remain unresolved. A new layer unit operating in the North West Territories continues to request quota at a level higher than self-sufficiency. Bilateral and multilateral trade talks have created an unsettled feeling among supply managed industries even though the Canada-U.S.A. agreement has not appreciably affected supply management authority. Other national issues such as surplus removal, pricing and premiums are expected to be addressed in 1988.

Extension services continue from the University of Saskatchewan under joint funding of industry sectors and marketing boards.

The Saskatchewan Pork Producers' Marketing Board

The 1987 Board of Directors was:

Garth Larsen, Chairman, Semans
Glen Hepworth, Vice-Chairman, Assiniboia
Richard Wright, Vice-Chairman, Wawota
Scott Gattey, Director, Outlook
Ken Jamieson, Director, Battleford
Donald Kolla, Director, Cudworth
Roger Thibaualt, Director, St. Benedict

Jim Morris, General-Manager, Saskatoon

The Board markets all slaughter hogs produced in Saskatchewan, provides production and marketing information to producers through the Board's regular newsletter, contributes toward research projects for hogs, promotes pork consumption and administers Saskatchewan's part of the National Tripartite Stabilization Program for Hogs.

1987 Marketing Summary

Marketings in 1987 were 816,337 head; this is an increase of 75,633 from 1986 (10.2%). The number of production units marketing hogs through the Board in 1987 increased to 5,014 units. The total value of hogs increased to $113.2 million, up 7.2% from $105.6 million in 1986.

1987 Marketing Highlights

	1987	1986
Total Hog Sales (No.)	816,337	740,704
Hogs settled by small plants and sow auctions	22,842	18,888
Total Saskatchewan Marketings	839,179	759,592
Active Production Units	5,014	4,109
Gross Paid to Producers	$113,216,248	$105,605,109
Weekly Delivery Highlights		
High - week ending Dec. 18/87	21,717	
Pool price that week	$132.40	
Low - week ending Apr. 17/87	13,692	
Pool price that week	$156.00	
Grading Highlights		
Average Index (excluding 67's)	102.60	103.40
Hogs Grading 101 and over	70.20	75.90
Average Hog Weight, Dressed, kgs	80.40	79.60
Price Highlights		
Average Hog Price per ckg*, dressed, index 100	$167.82	$174.31
Average Gross Value per Hog	$138.35	$142.55
High - pool price week ending July 24, 1987	$204.20	$223.90
Low - pool price week ending December 31, 1987	$126.80	$137.10
Average sow price, per ckg. Dressed #1 Heavy	$113.34	$116.45
Boar Sales		
Number Sold	3,155	2,684
Total Value	$541,230.82	$423,297.89
Average price($/ckg. live)	72.47	64.82

* ckg. = 100 kgs

Note: Weights expressed in kilograms; prices expressed in dollars per 100 kilograms.

Destination of Hogs, Sows, Boars

(1987 Compared to 1986)

Destination	Quantity		Percentage	
	1987	1986	1987	1986
Intercon, Saskatoon	739,678	686,124	90.61	92.64
Saskatchewan Small Plants	22,645	20,682	2.78	2.79
Alberta	39,594	557	4.85	0.07
Manitoba	5,669	13,289	0.69	1.79
U.S.A.	8,751	20,052	1.07	2.71
Totals	816,337	740,704	100.0	100.0

Destination of Hogs

In 1987, Intercontinental Packers, Saskatoon, slaughtered 90.6 percent of Saskatchewan marketings. Live hog shipments to the U.S.A. dropped dramatically from 2.7 percent in 1986 to 1.1 percent in 1987. Shipments of live hogs to Manitoba dropped significantly, but hog shipped to Alberta increased 39,037 over 1986.

Pork Promotion

The Canada Pork campaign received important emphasis in 1987. Retail and food service sectors were targeted with emphasis on innovative merchandising techniques. Retailers reported excellent response to the campaign. The program will be expanded in 1988.

The national food services program, in its second year, coordinated pork promotions in major retail department stores. Locally, pork promotions were featured at a number of family and gourmet restaurants, cafeterias and institutions.

The unique Expo Pork exposition in Vancouver, featured over forty new pork products by fifteen Canadian packers. Traditional promotions and projects were also continued in 1987 such as the Canadian Western Agribition and Canadian Meat Month.

A significant event in 1987 was Agriculture Canada's release of a new nutrient analysis of Canadian pork. It revealed that cuts of pork are leaner, lower in cholesterol and calories, and richer in protein and vitamins than previously believed.

Research Activities

Projects and activities in 1987 included:

Commitment of $25,000 per year to support the appointment of Dr. John Patience as Research Director of the Prairie Swine Centre, University of Saskatchewan, Saskatoon.

A grant of $18,000 to the Prairie Swine Centre to fund a study into the feeding costs of market hogs.

Financial support amounting to approximately $17,000 per year, of a Swine Research Chair at the Veterinary Infectious Diseases Organization (VIDO), University of Saskatchewan, Saskatoon. The support is a cooperative effort by the western pork boards and is based on annual provincial production.

Funding for a survey and study of electrical energy usage on Saskatchewan farms.

Presentation of a brief to Agriculture Canada's Research and Technology Hearing on November 6, 1987.

In addition, the Committee sponsored the annual Swine Symposium, and Swine Design, an annual pork industry trade show.

Funding for the Committee's activities and projects was generated from interest on a Government of Saskatchewan grant of $130,000 and from a 0.05 percent checkoff assessed on the gross value of each pig marketed.

1987 Market Review

The price outlook was considered pessimistic by many but cheap feed costs and strong prices combined to make 1987 one of the best years in history. Saskatchewan prices peaked in July with a near record weekly pool price of $204.20 per hundred kilograms. A continuation of profitability from 1986 had its predictable effect - weekly marketings during the late spring/early summer period began to increase and by late in the year approached levels in excess of 30 percent above comparable weeks in 1986.

Late in 1987, the anticipated, but greatly over-estimated, U.S. expansion finally began. The year-end marketing surge precipitated a dramatic drop in North American hog prices which was further accelerated by the October stock market crash. As a result,

Saskatchewan's average price fell from $174.31/ckg in 1986 to $167.83 in 1987.

Declining market prices aroused producer interest in possible payouts from the National Tripartite Stabilization Program for Hogs. There were none in 1987 but the traditional hog cycle suggests there will be in 1988 and 1989. In addition, there will likely be some support from the SHARP Program which will, in 1988, begin the third year of the five-year phase-out.

Because of depressed prices in the grain industry, feed costs dropped substantially making it more attractive for farmers to feed hogs. The number of production units rose from 4,109 in 1986 to 5,014 in 1987, an increase of 905 units. Of these, approximately 700 were new producers. This suggests that Saskatchewan's traditional "grain-driven" volatility of production relative to other provinces, remains intact.

Outlook for 1988

Nineteen eighty eight will be an exciting year, but not as profitable as 1987. Marketings are expected to reach 950,000 hogs in 1988, and a further increase in 1989, will present a new set of challenges. To market the hogs that appear to be coming it will be imperative that access, unimpeded by tariff or non-tariff barriers, be maintained to U.S. markets. Producers also face the challenge of another cycle of depressed prices. To weather the previous low point producers became significantly more efficient, and must do so again as another descending price phase is approached.

The Saskatchewan Pulse Crop Development Board

The Directors of the Saskatchewan Pulse Crop Development Board in 1987 were:

Ron McKinnon, Chairman, Abernethy
Greg Simpson, Vice-Chairman, Moose Jaw
Keith Cheston, Director, Regina
Chris Hale, Director, Rouleau
Ray Cooper, Director, Laporte
Bill Sheppard, Director, Lucky Lake
Don Tait, Director, Elrose

Donald Jacques, Administrator, Regina

The Saskatchewan Pulse Crop Development Board was incorporated in July, 1984. The general purpose and intent of the Saskatchewan Pulse Crop Development Board is to provide for the orderly marketing and effective development of the Saskatchewan pulse crop industry. Specific purposes are:

1. To promote and develop the pulse crop industry in Saskatchewan;
2. To develop procedures to maximize returns to producers of pulse crops;
3. To gather, compile and distribute information related to production, consumption and marketing of pulse crops;
4. To conduct and encourage research on the production, marketing, processing and consumption of pulse crops; and
5. To promote and improve understanding among individuals and organizations within the pulse crop industry.

Producer Marketings

During 1987, the number of producers registered with the Board was approximately 4,652 producers. The levy collected from producers amounted to approximately $329,342.00. The estimated value of Saskatchewan pulse crops marketed in 1987 was 65.9 million dollars.

Activities in 1987

Through the administration of a check-off program, the Board generates funds for administration, research, promotion and development. Some of the activities in 1987 included eight Board meetings, participation in the Western Canada Pulse Growers Association, the Agribition Grain Show, and the Crop Development Centre Committee.

Liason with government in 1987 allowed producer input into the licensing of chemicals for pulses. The Board had considerable input into having pulses included in the Special Canadian Grains Program.

Producer meetings and field days were held which acquainted producers with ongoing research projects and board activities.

The outlook for 1988 is for a year of challenge in maintaining production, quality and market share.

Research Projects

During 1987, the Board supported ten research projects as follows:

1. Lentil Innoculation Study: In progress at the Soil Science Department at the University of Saskatchewan.

2. Cooking Quality of Lentils: Conducted at the Crop Development Centre, University of Saskatchewan.

3. MCPA-tolerant Lentil Cultivar: In progress at the Crop Development Centre, University of Saskatchewan.

4. Phosphate Placement in Peas: Conducted at the Agriculture Canada Research Station at Melfort.

5. Herbicide Stress on Rhizobial and Mycorrhizal Symbiosis in Peas and Lentils: Conducted at the Soil Science Department, University of Saskatchewan.

6. Seed-Borne Ascochyta in Lentils: Conducted at the Biology Department, University of Saskatchewan.

7. "Indian Head" Lentil Management: In progress at the Crop Development Centre, University of Saskatchewan.

8. Insecticide Residue Sampling: Conducted by the Crop Development Centre, University of Saskatchewan.

9. Lentil Seeding Studies: Conducted by the Irrigation Development Centre and the Crop Development Centre, University of Saskatchewan.

10. Lentil Drying Studies: Conducted by the Agricultural Engineering Department, University of Saskatchewan.

Excellent progress has been made on these research projects over the past three years. Most of this research could not have been done without support of the levy from the pulse producers. The Board has also been able to get some matching money from the Economic and Regional Development Agreement and the Saskatchewan Agriculture Development Fund, thus extending the financial support for research as guided by the Board. The Board has agreed to support several additional research projects for 1988. Research has helped develop the industry to a successful and competitive status in Canada and is necessary to maintain and improve the level of performance.

The Saskatchewan Sheep and Wool Marketing Commission

The Directors of the Sheep and Wool Marketing Commission for 1987 were:

Dale Donald, Chairman, Rockhaven, resigned on May 27, 1987.
Larry Sothmann, Vice-Chairman, Elrose
Elaine Clarke, Director, Spy Hill
Ed MacCallum, Director, Swift Current
Colleen Sawyer, Director, Saskatoon

Jim Koal, General Manager, Saskatoon

The Sheep and Wool Commission provides a marketing service for producers who wish to have the Commission market their sheep and wool. The Commission also administers a check-off on sheep and wool which is used to fund activities to promote and develop the sheep industry and pay part of the Commission's costs of operation.

Summary of Sheep and Lamb Marketings

The following is a summary of the marketings of the Sheep and Wool Commission in 1987, as compared with 1986 and 1985:

1987 Marketing Summary

	1985	1986	1987
No. of Lambs Marketed	9,249	7,310	6,817
Average Gross Value per Head	$79.96	$80.11	$89.40
Average Selling Cost per Head	$5.53	$5.43	$6.12
No. of Sheep Marketed	1,601	1,383	1,039
Average Gross Value per Head	$37.27	$43.75	$48.26
Average Selling Cost	$5.88	$4.90	$5.61
Total No. of Sheep & Lambs Marketed	10,850	8,693	7,886
Total Gross Value	$799,176	$646,130	$661,003
Total Selling Cost	$60,569	$46,513	$47,702
Average Selling Cost per Head	$5.58	$5.35	$6.05

Sheep and Lamb Marketing

The gradual downward market trend continued in 1987. A reversal had been expected prior to 1988 due to flock rebuilding but failed to materialize. The Commission, with the assistance of the Agriculture Development Fund is investigating the limiting factors to growth and the alternatives open for renewed industry development.

Sheepman's Supplies

The Commission continued to maintain a good inventory of stockman's supplies through 1987. A significant increase in sales of $9,000.00 (68%) over 1986 indicates an increase in interest in sheep production.

National Tripartite Stabilization

There was a continuing strong market for sheep and lambs in 1987. As a result, producers interest in participating in stabilization was lower in 1987. Program participation dropped to 89 producers in 1987 from 100 producers in 1986.

Research, Development and Extension Activities

The Irrigated Pasture Project started in 1986 and is working quite well. The first year was for seeding grass and fencing and the results in predator control and flock productivity are very good so far.

The Economic and Regional Development Agreement (ERDA) funded Phase One of a marketing study aimed at identifying constraints and alternatives for the Saskatchewan sheep industry. Results are expected in 1988.

The Regional Shepherd Program got underway in December of 1987. In its early stages, it appears that interest among producers in the pilot project is very high. Funding support for these programs had been provided by the Agricultural Development Fund.

The Saskatchewan Turkey Producers' Marketing Board

The Directors of the Saskatchewan Turkey Producers' Marketing Board in 1987 were:

Dennis Billo, Chairman, Bruno
Perry Kirkham, Vice-Chairman, Saltcoats
Jack Rynsburger, Director, Melville
Ed Rosenberg, Director, Humboldt
Fred Kurulak, Director, Biggar

Fred Longstaff, Manager, Saskatoon

The Saskatchewan Turkey Board participates in the Canadian Turkey Marketing Agency to manage the quantity of turkey produced in Saskatchewan. The Board also establishes the minimum price at which turkeys produced in Saskatchewan are sold. The objective of the Board is to improve and stabilize producer returns.

Production and Marketing

The following table gives a historical account of registered producers, along with their production and the value of production:

Yearly Value of Turkey Marketings

Year	Producers	Production (tonnes evisc.)	Production Value (000's of $)
1983	22	3,730	6,266
1984	23	3,780	6,836
1985	23	3,854	6,900
1986	25	3,995	7,236
1987	23	4,350	7,635

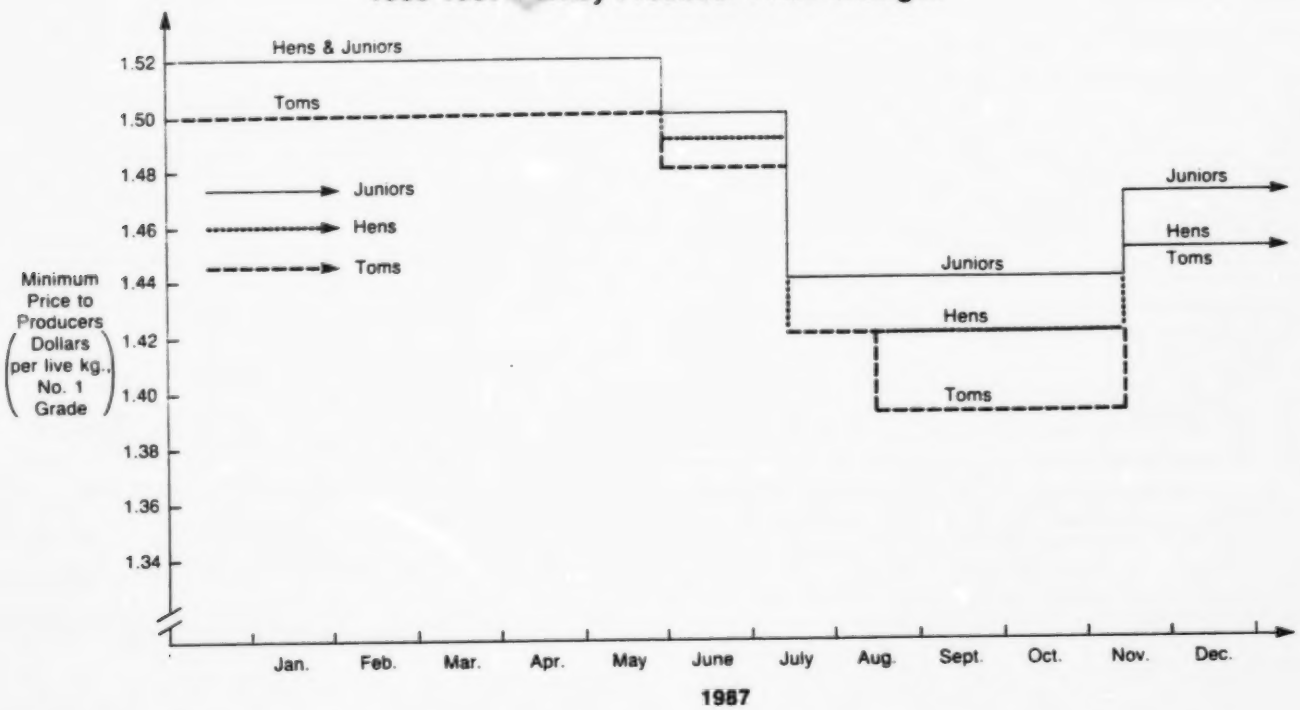
The disposition of marketings on an eviscerated basis is shown in the table below.

1987 Market Breakdown by Destination

	Kilograms (evisc)	Percentage	
		1986	1987
In-Province - Sask.	2,643,838	61.5	60.7
Out-of-Province			
- Alberta	935,154	22.1	21.6
- Manitoba	770,837	16.4	17.7
Total Marketings in 1987	4,349,829	100.0	100.0

In 1987, total marketings by Saskatchewan producers were 4,349,829 kgs (eviscerated). There were five price changes in 1987, and based on minimum prices, the Board's average price for juniors was $1.47, hens $1.45 and toms $1.43 for a total value of $7,635,419.00. This represents a drop of $0.05 per kg from 1986. The following graph describes the 1987 price fluctuations.

1986-1987 Turkey Producer Price Changes



* Source: Saskatchewan Turkey Producers Marketing Board Price Bulletins Nos. 113-117

Producer Concerns

The Turkey Board participated with other boards and sectors in the poultry industry in taking on the full responsibility for funding of the Poultry Extension Program at the University of Saskatchewan. Producers continue to remain keenly interested in the progress of the current round of multilateral trade talks in Uruguay. Initiatives in further processing and market development will also be tempered according to the outcome of the talks.

Summary for 1987

Continued lower feed costs and strong demand for turkey meat have resulted in another good year for the whole turkey industry. Turkey consumption in Canada increased by close to 4% in 1987 compared to 1986. Saskatchewan production increased by over 10% over 1986, leaving an inventory of over 15 million kgs at the end of 1987. These production levels allowed an increase of over 11,000 kgs to growers holding quota under 110,000 kgs per year. Distribution of quota is described in the table below.

Saskatchewan Turkey Quota Distribution
(live kgs/yr.)

Production Category	Number of Producers 1986	1987
1,000 - 9,999	8	8
10,000 - 19,999	7	7
20,000 - 29,999	3	3
30,000 - 39,999	2	2
40,000 - 49,999	1	1
50,000 - 59,999	1	1
60,000 and over	1	1
Total	23	23

* Revised from the 1986 Natural Products Marketing Council Report

Outlook for 1987

The abundance of chicken and pork in Canada and the surplus of turkey in the U.S.A. will put considerable pressure on turkey prices at all levels. Production costs are expected to increase as grain prices strengthen.

The Saskatchewan Vegetable Marketing Commission

The Directors of the Saskatchewan Vegetable Marketing Commission in 1987 were:

William Childerhose, Chairman, Outlook
Don Dabbs, Director, Saskatoon
Eugene Johns, Director, Henribourg
Carl Larson, Director, Radville
Kim MacDougall, Director, Lumsden

The Saskatchewan Vegetable Marketing Commission promotes the development of the vegetable industry in Saskatchewan through marketing services, extension, promotion, research and development.

Marketing Plan

In 1987, the Commission continued to discuss its proposal for a new marketing plan. The proposed Saskatchewan Vegetable Marketing and Development Plan suggests two major changes:

a) Replacement of the current appointed Commission with a producer-elected board; and

b) Establishment of a compulsory check-off for commercial vegetable growers to generate additional revenue.

Steps to bring the new marketing plan to a vote of producers were near completion in 1986. Emphasis in 1987 was on encouraging producer feedback regarding the proposed plan. On December 16, 1987 the Lieutenant Governor in Council directed the Natural Products Marketing Council to conduct a plebiscite among commercial vegetable growers. The vote was expected in early 1988. If 60% of those that vote favour the plan, then the Lieutenant Governor in Council will establish the new plan.

Information Services

The Saskatchewan Vegetable Marketing Commission office continued to provide Saskatchewan producers with a regular newsletter. The newsletter deals with prices, trends and forecasts along with pertinent information on government programs and policies.

National Potato Marketing Agency

The Saskatchewan Vegetable Marketing Commission continued to be represented in 1987 on the Task Force investigating a National Marketing Agency. Through several meetings and a series of public hearings, the Task Force presented a plan of action to the National Farm Products Marketing Council. A response is expected from the Council and the Federal Minister early in 1988.

Registration

Based on a pending vote on a new Marketing and Development Plan, the SVMC compiled a list of growers in the province to assure that all would have the opportunity to vote on the plan. At the same time it was apparent that the number of growers had increased along with the acres and production. The market share of Saskatchewan product in the market place continued to grow during the 1987 marketing season.

Stabilization

During the later part of 1987 the SVMC worked closely with Agriculture Canada in establishing eligibility and criteria for stabilization payments for the 1985-86 crop year. Payments are expected in mid 1988.

National Marketing Agencies

Participation in National Marketing Plans

The Natural Products Marketing Council is a signatory to three federal-provincial agreements which have established national marketing agencies for chicken, turkey and eggs. National agencies, consisting of producer representatives from each participating provincial commodity board, operate as a result of these agreements. The agencies manage the quantity of these products produced in Canada. The agencies include the Canadian Chicken Marketing Agency, the Canadian Turkey Marketing Agency and The Canadian Egg Marketing Agency. Saskatchewan is not a signatory to the Canadian Broiler Hatching Egg Marketing Agency.

Each national agency allocates a Canadian quota among participating provincial commodity boards, who in turn allocate their provincial allotments to individual producers within provincial boundaries. The national agencies target production to meet market demand at a price which covers the average producer's cost of production plus a reasonable return on investment. The Canadian Egg Marketing Agency prices eggs centrally, while provincial commodity boards price chicken and turkey.

As a signatory to each of the federal-provincial agreements, the Natural Products Marketing Council has duties relating to the operations of the national marketing agencies. No meetings of the signatories to

the agreements were held in 1987. As a result the National Farm Products Marketing Council called a seminar for supervisory board representatives in October, 1987 to review current activities and issues relevant to the performance of the national poultry marketing agencies.

Issues dealt with on October 7 and 8, 1987 were as follows:

a) the preliminary recommendations of the provincial Ministers of Agriculture "Price-Waterhouse" study on the performance of poultry supply management systems in Canada;

b) the ministerial committee guidelines to resolve pricing, surplus removal, and levy problems under the Canadian Egg Marketing Agreement;

c) the impact of the Bilateral Trade Agreement on poultry marketing in Canada;

d) the implications of British Columbia's threat of withdrawal from all national marketing plans;

e) the authority of supervisory bodies in administering the respective agricultural marketing acts in Canada.

Canadian Broiler Hatching Egg Marketing Agency

The Canadian Broiler Hatching Egg Marketing Agency had its first full year of operations under the supervision of National Council. The purpose of the new agency is to manage the supply of hatching eggs required by the chicken industry in Canada. The provinces of Manitoba, Ontario and Quebec were signatories at the end of 1987. Saskatchewan had been approached regarding membership in the national plan. At the end of 1987, discussions between Saskatchewan Council and the Saskatchewan Broiler Hatching Egg Producers' Marketing Board were proceeding regarding the implications of Saskatchewan's membership in the national plan.

Proposed Canadian Potato Marketing Agency

Hearings were held in 1987 regarding the implications of establishing a national potato marketing agency. National Council conducted a series of public hearings across Canada in July of 1987. National Council would be making a recommendation to the (federal) Minister of Agriculture in 1988, regarding the establishment of a supply management marketing system for potatoes in Canada.